

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BOARD OF PATENT APPEALS AND INTERFERENCES**

In re patent application of:
Matthew S. Kissner, et al.

) Attorney Docket No.: F-757
) Customer No.: 00919
) Examiner: ALMATRAHI, Faris, A.
) Group Art Unit: 3627
)
) Date: December 16, 2009

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Title: SYSTEM AND METHOD FOR BILL PAYMENT

Mail Stop Appeal Brief- Patents
Commissioner for Patents
Alexandria, VA 22313-1450

APPELLANTS' BRIEF ON APPEAL

Sir:

This is an appeal pursuant to 35 U.S.C. § 134 and 37 C.F.R. §§ 41.31 et seq. from the rejection of claims 1-13 and 21-24 of the above-identified application mailed July 16, 2009. This Brief is in furtherance of the Notice of Appeal transmitted October 16, 2009. Accordingly, this brief is timely filed. The fee for submitting this Brief is \$540.00 (37 C.F.R. § 1.17(c)). Please charge Deposit Account No. **16-1885** in the amount of \$540.00 to cover these fees. The Commissioner is hereby authorized to charge any additional fees that may be required for this appeal or to make this brief timely or credit any overpayment to Deposit Account No. **16-1885**.

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I. Real Party in Interest

The real party in interest in this appeal is Pitney Bowes Inc., a Delaware corporation, the assignee of this application.

II. Related Appeals and Interferences

There are no appeals or interferences known to Appellants, their legal representative, or the assignee that will directly affect or be directly affected by or have a bearing on the Board's decision in this appeal.

III. Status of Claims

Claims 1-16 and 21-24 are pending in the application.

Claims 17-20 have been canceled without prejudice or disclaimer.

Claims 14-16 have been withdrawn from consideration by the Examiner.

Claims 1-13 and 21-24 are in the case and stand finally rejected under 35 U.S.C. 103(a) as allegedly rendered obvious by WO 02/39378 A1 by Wiebe, et al. ("Wiebe '378") in view of U.S. Patent No. 7,222,098 B2 to Silverbrook, et al. ("Silverbrook '098").

Appellants hereby appeal the final rejection of claims 1-13 and 21-24.

IV. Status of Amendments

There are no amendments to the claims filed subsequently to the Final Office Action of July 16, 2009. Therefore, the claims set forth in Appendix A to this brief are those as set forth before the final rejection.

V. Summary of Claimed Subject Matter

Appellants' invention as presently claimed relates generally to new and useful systems and methods for "digital paper" bill presentment and digital pen bill payment. An intermediary provides a central billing clearinghouse service to businesses, wherein the service is used to prepare and deliver digital paper bills and process related payments that are authorized by a consumer using a digital pen with the digital paper bill. Consumers register a digital pen with the intermediary. When a consumer receives

a digital paper bill, the consumer then uses the digital pen to electronically authorize bill payment. See Specification, ¶¶ 0009-0010.

As shown in FIG. 1 reproduced below, the illustrative system 100 provides a consumer bill recipient 110 having a digital pen 110a with the mechanism to pay a digital paper bill. A Central Billing Service 120 includes a database for customer records, merchant records, bank records and telecommunications and cellular carrier records. The billing server 122 is connected to a digital pen pattern service 126 that is used to recognize and process the digital paper pattern. The Central Billing Service 120 is connected to a merchant system 140 and a financial banking system 130. Additionally, the Billing Service 120 is connected to a cellular carrier system 150 that is used to communicate with collocated cellular telephone 110b that is operatively connected to digital pen 110a. The exchange of customer statement and billing service responses are sent electronically 111, 118 and use XML-formatted documents for which schemas have previously been exchanged. After the Billing Service receives the appropriate billing data, the system is used to print hardcopy digital paper bills 112 that are mailed to the consumer 110. The Billing System 120 processes the consumer's request to pay a bill from the merchant 120 using a bank account maintained with the bank 130. The Billing System 120 requests funds availability status from the bank 130 and then requests that the payment amount be sent to the merchant 140 from the consumer's 110 bank account.

Cellular telephone 110b is connected to cellular operator system 150. The embodiments described herein utilize a unique digital pen and a pin for purposes of authenticating a user. Since each digital pen has a unique ID, a token consisting of the three-tuple PEN_ID, PAGE_ID, and PIN is used to authenticate the consumer at the time of use. However, biometric data including the signature of the consumer 110 may be used for authentication purposes. The pen 110a then provides biometric data relating to the pen strokes used including hand speed, pen tip pressure and the inclination angle between pen and paper. In an alternative, the digital pen includes a cellular radio transceiver and a user interface including a display and audio input/output. See Specification, ¶¶ 0030-38, FIG. 1.

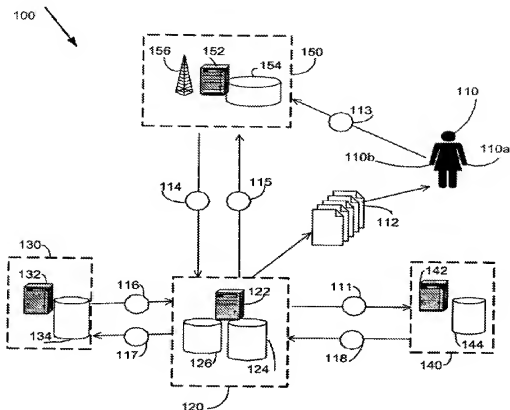


FIG. 1

Referring to FIG. 2, reproduced below, a process 200 for presenting a digital paper bill and for receiving an electronic payment from a digital pen is described. Initially, in step 210, merchants register with a central billing service. The service is used to provide digital paper bill presentation and to process digital pen payment requests. Similarly, in step 220, the central billing service registers with the required financial institutions. Additionally, in step 230, the central billing service registers with the required communications providers including cellular telephone companies.

In step 240, consumers enroll in the digital paper billing service. The billing service, merchant, cellular operator an/or financial institution may enroll consumers. A typical consumer receives a cell-phone bundled with a digital pen or a retrofit kit if she already has a mobile phone. The phone and the pen are paired during enrolment using known shared secret challenge-response mechanisms to ensure the correct devices are paired and communicating properly. The consumer provides banking information to be

used when paying bills with the digital pen. Optionally, the consumer provides a biometric writing sample such as a signature or sample phrase.

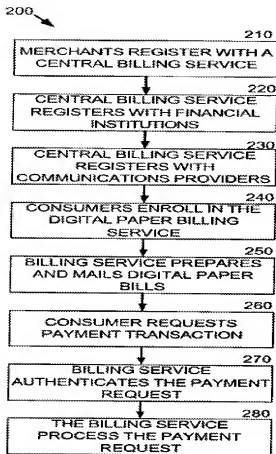


FIG. 2

In step 250, the billing service provider assigns a unique page or a range of unique digital pen patterned pages to each consumer. The provider then receives bill data from a merchant and prints a corresponding billing statement for the particular consumer using the assigned unique digital pen pattern page. The digital paper bill is then mailed to the particular consumer. In step 260, the consumer receives the statement and proceeds to request a payment transaction using a single check of her digital pen on the appropriate portion of the digital paper bill. When she sends the form data to the Billing Service Provider through the cell network, the information is received by the cellular system and forwarded to the Billing Service Provider for further processing. Alternatively, the payment authorization/request may include a signature

and/or a handwritten payment amount. In step 270, the billing service authenticates the payment request. Each digital pen has a unique identifier and each digital pen paper pattern page has a unique page identifier. Each consumer establishes a Personal Identification Number (PIN) during enrolment in the system. Accordingly, since each digital pen has a unique ID, a token consisting of the tuple PEN_ID, PAGE_ID, and PIN can be used to authenticate the consumer at the time of use. This method of authentication verifies that the right pen is writing on the right pages by the right person. If a PIN is compromised, the billing service provider may remotely turn off the pen. Alternatively, other known authentication systems may be used.

In step 280, the billing service processes the payment request and communicates with the financial institutions and the merchants. The billing service determines the status of the customers account and determines funds availability using a pre-determined communications protocol and relationship. The billing service then requests payment from the customer's financial institution. If the payment is cleared, the financial institution transfers the appropriate funds to the appropriate merchant account. See Specification, ¶¶ 0039-46, FIG. 2.

FIGs. 7-8, reproduced below show two illustrative digital paper bills. In FIG. 7, an illustrative digital paper bill providing dispute automation 700 is shown. Here, the consumer may dispute line item transactions by indicating a dispute by checking a dispute box on the bill. If the bill is a credit card bill from a company that requires written dispute letters, the intermediary system prepares a dispute letter from the bill data after it receives the bill dispute indication. An appropriate dispute letter is then sent to the credit card company. A dispute letter database contains the form dispute letter for each merchant, vendor or biller and an appropriate script with any special instructions. If appropriate, the letter is sent by facsimile. The bill 700 is received from a credit card company and includes three detailed charges 710, 712 and 714. The check for dispute indicator 742 indicates that digital paper dispute boxes 732, 734 and 736 are used to dispute the charges in the respective row. The total indicator 720 indicates the total amount due of 50.00 dollars and a due date of Jan. 1, 2004. The sign to pay indicator 740 indicates that the user should sign the digital paper signature box 730 to authorize

and initiate bill payment. If a user disputes a charge, the total to pay is reduced by that amount before the system processes the bill payment request.

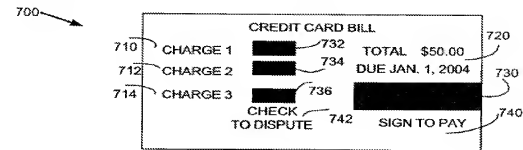


FIG. 7

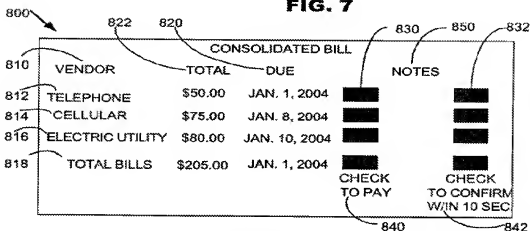


FIG. 8

In FIG. 8, an illustrative aggregate digital paper bill 800 is shown. Multi-vendor consolidated statements may be sent to customers. The customers are provided the option of paying on a line-by-line basis or the option of paying the designated total amount to the appropriate vendors with one click of the pen. In consolidated bill 800, a vendor column 810 is provided. Additionally, a bill summary data column 822 includes the total amount due. Similarly, a due date column 820 provides the due date for each bill listed. In the illustrative embodiment, bill 812 is a 50.00-dollar telephone bill that is due Jan. 1, 2004. Bill 814 is a 75.00-dollar cellular telephone bill due Jan. 8, 2004. Bill 816 is an 80.00-dollar electric utility bill due Jan. 10, 2004. A check to pay indicator 840 informs the consumer that digital pen box column 830 is used to authorize a bill payment. In this embodiment, a check to confirm indicator 842 instructs the consumer to check the second box within an appropriate length of time such as 10 seconds of the first check to confirm. If the consumer checks the digital paper box in column 832 in the

specified time, the payment transaction will be processed. Otherwise, the payment transaction will not be processed until both boxes are checked in the appropriate time window. A total bills row 818 is provided for accepting payment instructions for all bills presented in the consolidated bill statement. The due date shown is the earliest bill due date. In an alternative, if an all bills payment indication is received, each individual bill payment is not processed until the due date for that particular bill. After the confirmation check, the digital pen will receive an indication that the payment was processed and will vibrate. Additionally, a receipt will be sent to the co-located cellular phone as a text message. A notes column 850 is provided so that the consumer may write in the date paid or other information for record keeping purposes. See Specification, ¶¶ 0067-76, FIGs. 7-8.

Independent claim 1 is shown with illustrative annotated references to the specification, reference numerals and figures:

1. A method for presenting a digital paper bill comprising (FIGs. 1-2, 6-8; ¶¶ 0029-46, 0063-76):
 - receiving data relating to a bill (700) from a merchant (140) to a consumer (110);
 - associating a digital paper pattern (730) with the bill (700);
 - associating a stored consumer (110) biometric signature with the bill (700);
 - creating (250) the digital paper bill (700) using the data (732) relating to the bill and the digital paper pattern; and
 - providing (250) the digital paper bill (700) to a consumer (110).

Additional features of the invention are discussed below in the Argument section of this Brief. This summary is not intended to supplant the description of the claimed subject matter as provided in the claims as recited in Appendix A, as understood in light of the entire specification.

VI. Grounds of Rejection to Be Reviewed on Appeal

A. Whether Claims 1-13 and 21-24 are unpatentable under 35 U.S.C. 103(a) as allegedly rendered obvious by WO 02/39378 A1 by Wiebe, et al. ("Wiebe '378") in view of U.S. Patent No. 7,222,098 B2 to Silverbrook, et al. ("Silverbrook '098").

VII. Argument

As discussed in detail below, Appellants respectfully submit that the final rejection of claims 1-13 and 21-24 does not meet the threshold burden of presenting a prima facie case of unpatentability. Accordingly, Appellants are entitled to grant of those claims. In re Oetiker, 24 U.S.P.Q.2d 1443, 1444 (Fed. Cir. 1992).

A Claims 1-13 and 21-24 are not Unpatentable under 35 U.S.C. § 103(a)

Claims 1-13 and 21-24 are in the case and stand finally rejected under 35 U.S.C. 103(a) as allegedly rendered obvious by WO 02/39378 A1 by Wiebe, et al. ("Wiebe '378") in view of U.S. Patent No. 7,222,098 B2 to Silverbrook, et al. ("Silverbrook '098").

Appellants initially respectfully note that claims 14-16 were withdrawn from prosecution by the Examiner long after examination began and before the first application of Silverbrook '098 in a restriction that was unsuccessfully traversed by Appellants. Appellants disagree with the present rejection and urge its reversal for at least the reasons stated below.

In rejecting a claim under 35 U.S.C. §103, the Examiner is charged with the initial burden for providing a factual basis to support the obviousness conclusion. *In re Wamer*, 379 F.2d 1011, 154 USPQ 173 (CCPA 1967); *In re Lunsford*, 375 F.2d 385, 148 USPQ 721 (CCPA 1966); *In re Freed*, 425 F.2d 785, 165 USPQ 570 (CCPA 1970). The Examiner is also required to explain how and why one having ordinary skill in the art would have been led to modify an applied reference and/or combine applied references to arrive at the claimed invention. *In re Ochiai*, 37 USPQ2d 1127 (Fed. Cir. 1995); *In re Deuel*, 51 F.3d 1552, 34 USPQ 1210 (Fed. Cir. 1995); *In re Fritch*, 972 F.2d 1260, 23 USPQ 1780 (Fed. Cir. 1992); *Uniroyal, Inc. v. Rudkin-Wiley Corp.*, 837 F.2d 1044, 5 USPQ2d 1434 (Fed. Cir. 1988). See *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. ___, 127 S.Ct. 1727, 1735 (2007) ("[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of

obviousness." *Id.* (quoting Kahn, 441 F.3d at 988)). See also, *Takeda Chem. Indus., Ltd. v. Alphapharm Pty., Ltd.*, 492 F.3d 1350, 1357 (Fed. Cir. 2007) (To avoid improper use of hindsight, the Examiner must articulate "a reason that would have prompted a person of ordinary skill in the relevant field to combine the elements in the way the claimed new invention does" in an obviousness determination. (quoting *KSR*, 127 S. Ct. at 1731)).

See also, *In re Kahn*, 441 F.3d 977 (Fed. Cir. 2006)(Most inventions arise from a combination of old elements and each element may often be found in the prior art. However, mere identification in the prior art of each element is insufficient to defeat the patentability of the combined subject matter as a whole).

Initially, Appellants respectfully submit that the cited references do not alone or in any proper combination render obvious the claims as presently recited.

Independent Claim 1 recites:

1. A method for presenting a digital paper bill comprising:
receiving data relating to a bill from a merchant to a consumer;
associating a digital paper pattern with the bill;
associating a stored consumer biometric signature with the bill;
creating the digital paper bill using the data relating to the bill and
the digital paper pattern; and
providing the digital paper bill to a consumer.

(emphasis added). Appellants respectfully submit that the cited reference does not teach or suggest at least:

associating a stored consumer biometric signature with the bill.

Newly cited Silverbrook '098 apparently describes using its pen system as input to an interactive e-commerce system at cited portions Col. 9, lines 3-21 and Col. 30, lines 3-12. However, the cited portions of Silverbrook '098 apparently do not suggest associating a stored biometric with a printed digital paper bill.

With regard to claim 4, Appellants respectfully submit that the cited portions of the cited references apparently do not teach or suggest “indicating any shortfall to the consumer”.

With regard to claim 5, Appellants respectfully submit that the cited portions of the cited references apparently do not teach or suggest receiving back a network address does not anticipate receiving a payment processed notice as presently claimed.

With regard to claims 6-7, it does not appear from the rejection that the Examiner is currently applying Official Notice and the rejection is not clear. With regard to Official Notice, Appellants again dispute any such statement unless expressly admitted herein. In relying on Official Notice, the MPEP instructs that only “notorious” facts used to “fill the gaps” in dependent claims is appropriate and its use should be rare at final rejection or later. See MPEP 2144.03. Contrary to the Examiner’s suggestion, this is not a case in which Appellants have never challenged the statements of Official Notice. With regard to claim 6, Appellants do not dispute that sending a receipt for payment was known, but dispute any broader notice and dispute the combination put forth by the Examiner. With regard to claim 7, Appellants do not dispute that using XML formatted data was known, but dispute any broader notice and dispute the combination put forth by the Examiner.

Accordingly, Appellants respectfully submit that the Examiner has not established a prima facie rejection of claims 6-7 and has not shown that the cited art renders obvious “sending a payment processed receipt to the consumer related to the payment processed notice” or “the data relating to a bill includes XML formatted data.”

With regard to claim 9, Appellants respectfully submit that the cited portions of the cited references apparently do not teach or suggest an indication that the consumer used the digital pen to check a digital pen pattern box within “a confirmation time window.”

With regard to claim 12, Appellants respectfully submit that the cited portion of the reference apparently describing writing an order for a number of items does not describe receiving a payment request including a hand-written amount as presently claimed.

With regard to claim 13, Appellants respectfully submit that the cited portion of the reference apparently describing a mere reference to a unique bill "an invoice in question" does not anticipate receiving a dispute indicator (in the cited reference, the bill is not described as being "questioned", but merely as being referred to).

With regard to claims 23-24, Appellants respectfully submit that the cited portions of the references apparently do not teach or suggest "associating a dispute response indicator with the digital paper bill" or "associating a customer support response indicator with the digital paper bill."

Accordingly, the Examiner has not established a prima facie rejection. The additional rejected dependent claims are patentable over the references as cited for at least the same reasons described herein with reference to the associated independent claim and any intervening claims.

Thus, the Examiner has not established a prima facie obviousness rejection. Accordingly, Appellants respectfully submit that the rejection is clearly in error and should be reversed.

IX. Conclusion

In Conclusion, Appellants respectfully submit that the final rejection of claims 1-13 and 21-24 is in error for at least the reasons given above and should be reversed.

Respectfully submitted,

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VIII – CLAIMS APPENDIX
APPENDIX A

1. A method for presenting a digital paper bill comprising:
receiving data relating to a bill from a merchant to a consumer;
associating a digital paper pattern with the bill;
associating a stored consumer biometric signature with the bill;
creating the digital paper bill using the data relating to the bill and the digital paper pattern; and
providing the digital paper bill to a consumer.

2. The method of claim 1, further comprising:
receiving a payment request from the consumer including a consumer biometric signature, wherein the consumer uses a digital pen to process the payment request;
authenticating the payment request using the stored consumer biometric signature and the consumer biometric signature; and
processing a bank payment request from a bank in order to process the payment request.

3. The method of claim 2, further comprising:
obtaining a consumer payment preferences record used for processing the bank payment request.

4. The method of claim 3, further comprising:
requesting a funds availability determination from the bank relating to the payment request and indicating any shortfall to the consumer.

5. The method of claim 4, further comprising:
receiving a payment processed notice from the bank relating to the payment request.

6. The method of claim 5, further comprising:
 sending a payment processed receipt to the consumer related to the payment processed notice.
7. The method of claim 1, wherein,
 the data relating to a bill includes XML formatted data.
8. The method of claim 2, wherein,
 the consumer uses a cellular telephone to process the payment request.
9. The method of claim 2, wherein,
 the payment request includes an indication that the consumer used the digital pen to check an digital pen pattern box within a confirmation time window.
10. The method of claim 2, wherein,
 the digital paper comprises a unique digital pen pattern.
11. The method of claim 2, wherein,
 the digital paper comprises a generic digital pen pattern and a payment check box including a unique digital pen pattern.
12. The method of claim 2, wherein,
 the payment request includes an indication that the consumer used the digital pen to write a payment amount in an digital pen pattern box.
13. The method of claim 2, wherein,
 the payment request includes an indication that the consumer used the digital pen to check a payment dispute digital pen pattern box.

21. The method of claim 1, wherein,
the stored consumer biometric signature comprises a handwritten signature of the consumer.

22. The method of claim 21, wherein,
the consumer biometric signature comprises a handwritten signature of the consumer.

23. The method of claim 1, further comprising:
associating a dispute response indicator with the digital paper bill.

24. The method of claim 1, further comprising:
associating a customer support response indicator with the digital paper bill.

Appendix IX – Evidence Appendix

None

Appendix X – Related Proceedings Appendix

None